



Survivor Benefits Plan (SBP)



SURVIVOR BENEFITS PLAN

- Purpose:
 - Provides a monthly income to survivors
 - Benefits are adjusted with Cost of Living Allowance



BASE AMOUNT

- A DOLLAR AMOUNT DESIGNATED BY MEMBER
- MIN = \$ 300 / MAX = FULL RETAINER / RETIRED PAY
- RETIRED PAY LESS THEN \$300 MUST DESIGNATE FULL AMOUNT



ANNUITY

- Monthly amount paid to designated beneficiary
- Percentage of the base amount member elects
- Varies depending on category of survivor



SPOUSE

(WIDOW / WIDOWER)

- Annuity paid for life or unless spouse remarries before age 55
 - Must be married to retiree from when the member became eligible for retired pay until death of retiree.
 - If Marriage occurred after member retires, marriage must have existed for at least one year prior to death *or spouse must be the parent of a living child from the marriage.*



DEPENDENT CHILD / CHILDREN

- Natural child, adopted, stepchild or foster
 - Unmarried, below 18 or until 22 (full time student)
 - Disabled while eligible, *may receive pay for life*
 - Disability need not be permanent at which time it will be re-evaluated every 2 years
 - Paternity - must provide 50% for children born outside of marriage



ELECTIONS

- Decline to participate
- Spouse *only*
- Spouse and Dependent Child(ren)
- Dependent Child(ren) *only*
- Insurable interest
- Former Spouse
- Former Spouse and Dependent Child(ren)



ELIGIBILITY

- Active duty members preparing to transfer to Fleet Reserve
- Naval Reserve retirees age 60



COST OF SBP

- Cost = Premium
 - Varies depending on the category of beneficiary member elects to cover and the base amount
- Spouse only or former spouse 6.5%
- Other coverage including coverage for children will be slightly more than 6.5%
- Insurable Interest - 10% of base amount plus 5% of the base amount for each 5 year age difference



ANNUITY

- Monetary benefit of SBP is 55% of base amount
- Cost of Living Allowance (COLA) increases the cost and the annuity increases an equal amount



SBP - COST & ANNUITY

(EXAMPLES)

- Monthly Amounts

- Active Duty Pay: \$2000
- Retainer/Retire Pay \$1000

	<u>Joy</u>	<u>Dan</u>	<u>Joe</u>	
• Elected Base Amount 300 _{MIN.}		1000	500	
• SBP Cost (Spouse only max 6.5%)		65	32.5	19.5
• Survivor's Annuity (55% of Base)		550	275	165
• Annuity @ age 62 (35% of Base)		350	175	105



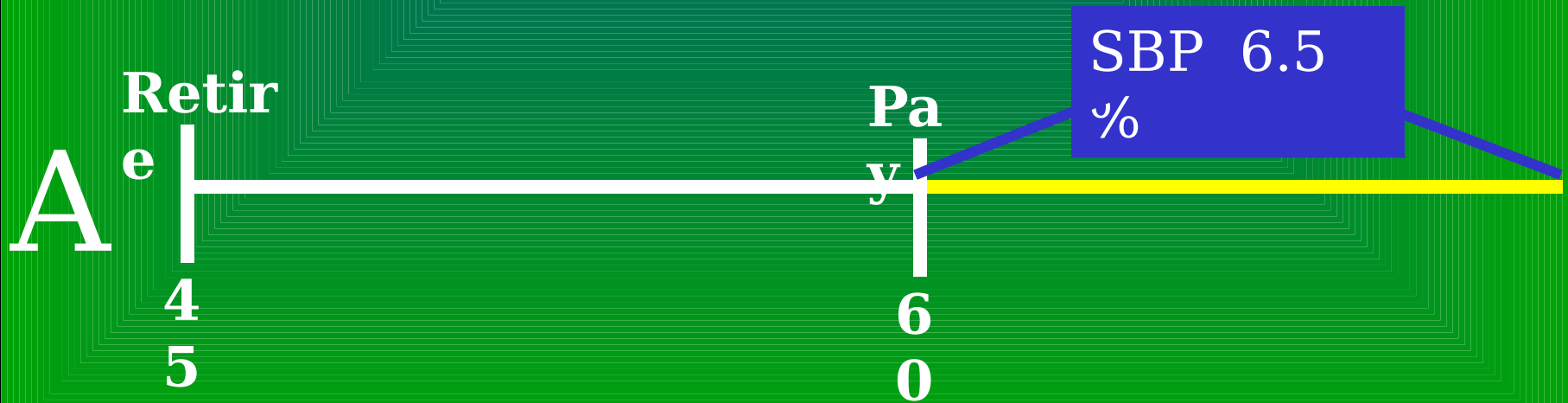
RESERVE COMPONENT - SURVIVOR BENEFIT PLAN (RC-SBP)

- Allows Naval Reserve personnel to insure a portion of their retirement income
- Election of coverage must be made within 90 days of being officially notified that they are retirement eligible (receive Notice of Eligibility)



RC-SBP (ELECTION)

- Option “A”
 - I don’t want to participate
 - Spouse concurrence is required
 - At age 60, member may elect SBP

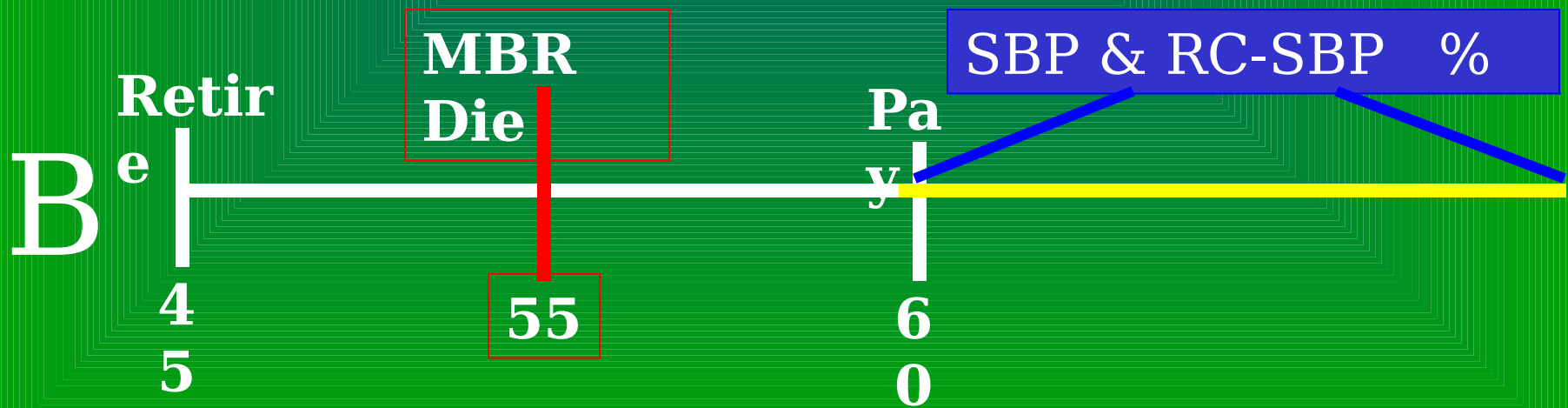




RC-SBP (ELECTION)

- Option “B”

- I want to participate but I don't want the government to pay until I reach age 60 or would have been age 60

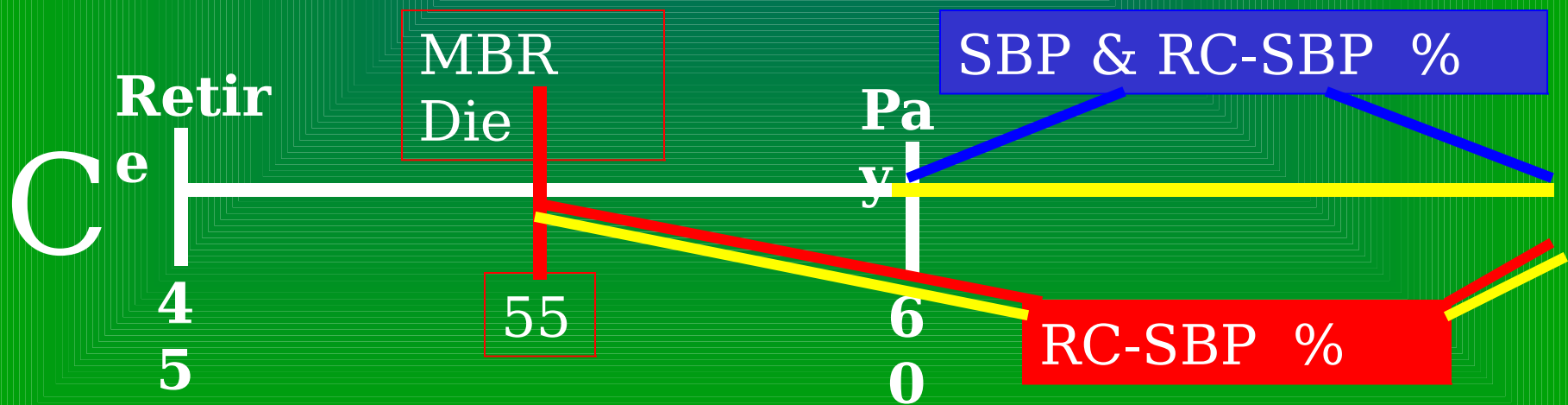




RC-SBP (ELECTION)

- Option “C”

- I want to participate and have the government pay when I die _





RC-SBP (ELECTION)

- Disenrollment may occur between their second and third year anniversary dates in this plan. There is NO refund of premiums paid.



TAXES

- Cost of the coverage is deducted before taxes are computed
- Annuity payments are considered taxable income for federal income tax purposes



SUPPLEMENTAL SURVIVOR BENEFIT PLAN (SSBP)

- Provides member with an option to recoup the 20% of annuity lost due to receipt Social Security income at age 62
- Elect unit (1-4 unit)
- Each unit equals 5% of base amount



SUPPLEMENTAL SURVIVOR BENEFIT PLAN (SSBP)

- Eligibility
 - Surviving spouse who is receiving SBP or RC-SBP at 62
 - Must make this election at the same time as SBP/RC-SBP
 - Member must have elected full retainer/retirement pay for base amount



SSBP (EXAMPLES)

• Monthly Amounts

• Active Duty Pay:	\$2000			
• Retainer/Retire Pay	1000		100	
• <u>Joy</u>	<u>Joy</u>	<u>0</u>	<u>0</u>	<u>0</u>
• Elected Base Amount		0	600	
300 _{MIN.}		100		
• SBP Cost (Spouse only max 6.5%)		0	55	27
• Survivor's Annuity (55% of Base)		55	50	330
165		0		
• Annuity @ age 62 (55% of Base)		0		210

Cost is based on member age at the time of election and number of units



REVIEW

Any questions

